

**LEASE AND INDEMNIFICATION AGREEMENT CONCERNING  
LOW-LEVEL RADIOACTIVE WASTE DISPOSAL IN ANDREWS COUNTY, TEXAS**

Whereas, on September 10, 2009, the Executive Director of the Texas Commission on Environmental Quality issued a Radioactive Material License (the "License") to Waste Control Specialists LLC ("WCS"), a Delaware limited liability company;

Whereas, the License (Number R04100) authorizes the disposal of certain low-level radioactive waste at a location in Andrews County, Texas, more specifically 9998 West Highway 176, Andrews, Texas 79714 (30 miles west of the city of Andrews, Texas);

Whereas, the License authorizes such disposal at two separate facilities at the above-referenced location: 1) the Compact Waste Disposal Facility; and 2) the Federal Facility Waste Disposal Facility;

Whereas, License Conditions # 29 and # 43 and Texas Health and Safety Code, Section 401.211 require the licensee to indemnify the State of Texas for any liability imposed on the state;

Whereas, both License Condition # 20 and Texas Health and Safety Code, Section 401.205 require the licensee to convey all right, title, and interest in land and buildings for the Compact Waste Disposal Facility to the State of Texas;

Whereas, WCS has conveyed all right, title, and interest in land and buildings for the Compact Waste Disposal Facility, which is more particularly described in Exhibit A to this Agreement ("Premises"), to the State of Texas, acting by and through the Texas Commission on Environmental Quality ("TCEQ"), as evidenced by the deed in Exhibit B to this Agreement (the "Deed");

Whereas, the parties intend this Agreement to be both a lease of the Premises from TCEQ to WCS for operation of the Compact Waste Disposal Facility as well as the indemnification agreement by WCS in favor of the state, as required by the License, for any liability imposed on the state for the Compact Waste Disposal Facility and the Federal Facility Waste Disposal Facility;

Now therefore, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the State of Texas, acting by and through the TCEQ, and WCS hereby agree as follows.

**SECTION 1 – LICENSE**

The TCEQ and WCS agree that in the event there is a conflict between the terms of this Agreement and the License (inclusive of any amendments), the latter shall be controlling and nothing herein shall be deemed to affect any rights of the TCEQ as the regulatory agency issuing the License and overseeing related activities. The TCEQ and WCS acknowledge and agree that

WCS satisfied its obligation under License Condition # 20 and Texas Health and Safety Code, Section 401.205 to convey the Premises to the State of Texas, acting by and through the TCEQ.

## SECTION 2 – LEASE OF PREMISES

2.1 Upon and subject to the terms of this Agreement, TCEQ hereby demises and lets to WCS and WCS hereby leases from TCEQ, all of TCEQ's right, title, and interest in and to the Premises, with the exception of any mineral interests and royalty rights; provided TCEQ agrees that it will not allow the extraction of any minerals underlying the Premises.

2.2 To the extent not expressly herein reserved to TCEQ, the Premises include: (a) all existing buildings, structures and other improvements located thereon (the "Improvements"), (b) all right, title, and interest of TCEQ, if any, lying in the bed of any street or highway adjoining the Premises, (c) all present or future rights, privileges, reversions, easements, and appurtenances, including air and development rights of TCEQ or appurtenant to the Premises and all the other estate and rights of TCEQ in and to the Premises, and (d) all licenses, permits, zoning classifications, variances, easements, rights-of-way, claims, rights, benefits, covenants, conditions, and servitudes, as built plans, specifications and surveys, materials specifications, systems schematics (i.e. documents inventorying the project), and all other appurtenances used or connected with the beneficial use or enjoyment of the Premises.

2.3 All costs, whether known or unknown, seen or unforeseen, of improvements, operations, maintenance, repairs, ad valorem taxes, taxes and insurance relating to the Premises during the Lease Term are the sole cost and expense of WCS. TCEQ is not obligated to make any improvements, repairs, alterations, additions or replacements or provide any services or do any act whatever to, or in connection with, the Premises. Throughout the Lease Term, WCS, at WCS' own cost and expense, must keep any buildings or other improvements now or hereafter situated on the Premises, and all appurtenances thereto or to the Premises, in good condition, order and repair, ordinary wear and tear excepted and damage by a taking or casualty. WCS must conform to, and comply with, all valid governmental ordinances, regulations or laws (including all federal, state or municipal) affecting the Premises, and procure and maintain, or cause to be procured and maintained, any necessary permits and licenses.

### 2.4 Surrender of Premises.

Upon expiration or any sooner termination of this Agreement, WCS shall surrender the Premises, the Improvements and the New Improvements in good condition and repair. WCS may remove or cause to be removed from the Improvements or New Improvements (as defined in Subsection 6.2 below) any personal property, trade fixtures, furniture and equipment provided, however, if WCS shall cause any material damage to the Premises, the Improvements, or the New Improvements, WCS shall repair such damage. Any such property not so removed by WCS within thirty (30) days after the termination of the Lease Term will become the property of the TCEQ and the TCEQ is hereby authorized to dispose of any such property free and clear of any claim by WCS thereto.

## SECTION 3 – TERM

### 3.1 Lease Term.

The term of this lease ("Lease Term") will commence at 12:01 am on the day following the date of last signature to this Agreement and continue so long as the License, as the same may be renewed, is in full force and effect and continues to be a valid authorization for the use set forth in Section 4 of this Agreement.

### 3.2 Termination.

If this Agreement is terminated by TCEQ pursuant to its terms as well as upon the expiration of the Lease Term: (a) TCEQ shall be entitled to possession of the Premises and all Improvements and New Improvements in good condition and repair, ordinary wear and tear and the effects of any casualty, taking and other causes beyond WCS' control; (b) WCS shall, subject to any third-party consent requirements, assign to TCEQ, without recourse, and, to the extent in the possession of WCS, its consultants, or contractors, provide TCEQ with copies or originals of, all assignable licenses, permits, contracts, warranties, current as-built survey, current engineering drawings & schematics on all systems such as electric, plumbing, HVAC and guarantees then in effect with respect to the Premises and the Improvements and the New Improvements; and (c) WCS shall pay all taxes, utility charges, and other expenses of the Premises and the Improvements and the New Improvements through the termination date. Except as expressly provided in this Agreement, WCS will have no right to terminate this Agreement or to quit, abandon or surrender the leasehold estate hereby created or to be released, relieved or discharged from any obligation or liability hereunder for any reason.

## SECTION 4. USE OF PREMISES

### 4.1 Use.

WCS is hereby granted the right to occupy and use the Premises for the management and disposal of certain low-level radioactive waste and ancillary uses in accordance with the License, as amended, provided such use complies with all applicable laws, rules, regulations, ordinances and other applicable governmental impositions and requirements.

### 4.2 TCEQ's Access.

WCS hereby grants to the TCEQ, its agents, representatives, and authorized persons, in TCEQ's capacity as landlord hereunder, the right to enter the Premises, Improvements and New Improvements, during normal business hours and in accordance with applicable environmental, safety, or health procedures, to inspect the same to confirm WCS' compliance with the terms hereof. It is understood that the TCEQ will have no duty to make any such inspection as the lessor and will not incur any liability or obligation with respect to any state of facts that are or might have been discovered by reason of any such inspection.

### 4.3 Easements.

With prior written approval of the TCEQ, WCS will have the right to enter into agreements with utility companies and the owners of adjacent properties creating such easements as are reasonably required to service and provide access to the Premises. WCS agrees: a) to pay all expenses relating thereto; and b) ensure such agreements are consistent with applicable law.

#### 4.4 Exclusive Control.

Subject to use by WCS for the stated Use in Subsection 4.1 hereof, WCS shall have the exclusive control, possession, occupancy, and management of the Premises, the Improvements, and the New Improvements. WCS may enter into, terminate, modify, amend, or waive any contracts relating to the management or operation of the Premises, the Improvements and the New Improvements and the provision of services thereto and may grant a right of access to the Premises, the Improvements, and the New Improvements to Andrews County, Texas. Any such contract or grant of access must provide that, if such contract or grant of access then is in effect, it shall automatically expire on termination of this Agreement.

#### 4.5 Nuisance; Condition of Premises.

WCS shall not permit any condition which constitutes a nuisance to exist upon the Premises; provided the permitted use of the Premises as a low level radioactive waste disposal facility shall not in and of itself be deemed to constitute a nuisance. At all times during the Lease Term, at WCS' sole expense, WCS shall keep and maintain the Premises and all Improvements and any New Improvements thereon, in good condition and repair, ordinary wear and tear and the effects of any casualty, taking, and other causes beyond WCS' control excepted.

#### 4.6 Utilities.

Throughout the Lease Term, WCS shall pay or cause to be paid all charges for water, electricity, gas, storm sewer, sanitary sewer, and all other utilities used on the Premises, including all costs of construction and connection fees.

### SECTION 5. IMPOSITIONS

#### 5.1 Payment.

Throughout the Lease Term, WCS shall pay or cause to be paid all Impositions, as herein defined, directly to the charging authority or other entity promptly as the same become due, prior to the time penalties or interest attach thereto and before nonpayment gives rise to a lien on the Premises, the Improvements, or the New Improvements. The TCEQ will have no responsibility of any kind with respect to any Imposition. Impositions shall mean all taxes (including, without limitation, ad valorem taxes, sales taxes, and use taxes), assessments (including, without limitation, all assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed during the Lease Term), water, sewer and other rents, rates and charges, excises, levies, license fees, permit fees, inspection fees and other authorization fees and other charges, whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every character (including all interest and penalties thereon), which at any time during the Lease Term may be assessed, levied, confirmed or imposed on the Premises, the Improvements, New Improvements or any interest therein or against WCS or the TCEQ in connection therewith.

#### 5.2 Conversion to Installments.

If permitted by law, WCS will have the right to apply for conversion of Impositions to installment payments, provided that all installments are due or payable during the Lease Term and WCS pays such installments on or before they are due.

### 5.3 Right to Contest.

WCS will have the right to contest the validity, amount or application of any Imposition by diligent pursuit of appropriate legal proceedings conducted at WCS' expense. If at any time the Premises, the Improvements, the New Improvements, or any part thereof, becomes subject to forfeiture, or the TCEQ becomes subject to liability arising from nonpayment of any Imposition, WCS will promptly pay the disputed Imposition or deposit with the TCEQ such collateral or other assurances as might be reasonably required by the TCEQ to protect the Premises, the Improvements, the New Improvements, and the TCEQ from liability or forfeiture by reason of nonpayment.

### 5.4 Refunds.

The TCEQ agrees that any refunds or rebates of Impositions previously paid by WCS pursuant to the provisions of this Agreement will belong to WCS.

### 5.5 Evidence of Payment.

WCS agrees to furnish to the TCEQ on or prior to the date when any Imposition would have become delinquent, receipts or other appropriate evidence of payment of any and all such Impositions. The provisions of this section will survive the termination of this Agreement.

### 5.6 Payment by TCEQ.

In the event WCS fails to pay any Imposition on or before the payment is due, TCEQ may pay, but shall have no obligation to pay, the Imposition and WCS shall pay to TCEQ the amount paid within ten (10) days of written notice, with proof of payment, from TCEQ.

## SECTION 6. REPAIRS, ALTERATIONS AND ADDITIONS

### 6.1 Maintenance and Repair.

Throughout the Lease Term, WCS shall maintain the Premises, Improvements and New Improvements in good and clean order and condition, ordinary wear and tear and the effects of any casualty, taking and other causes beyond WCS' control to the contrary excepted, and will promptly make all necessary or appropriate repairs, renewals and replacements, whether interior or exterior, structural or nonstructural, ordinary or extraordinary, foreseen or unforeseen. All repairs, replacements and renewals will be reasonably equal in quality to the Improvements and New Improvements. WCS will do or cause others to do all shoring of the Premises or of the property adjoining thereto, or of foundations and walls of the Improvements or New Improvements and every other act necessary or appropriate for the preservation and safety thereof by reason of or in connection with any excavation or other building operation on any of the Premises or any adjoining property, whether or not WCS or the TCEQ is subject to any legal requirement to take such action or might be liable for failure to do so. All such actions will be performed at the expense of WCS, and the TCEQ will not be required to maintain, alter, repair, rebuild or replace all or any part of the Premises or the Improvements in any way. WCS expressly waives any right to make repairs at the expense of the TCEQ which might be provided for in any law now or hereafter in effect.

## 6.2 Alterations, Additions and Improvements.

If WCS makes any structural alterations, additions or improvements to the existing buildings or construct new or additional buildings together with, related or incidental facilities (all of the foregoing being referred to collectively as New Improvements) on the Premises, WCS shall comply with all applicable governmental laws, ordinances, codes, and regulations. WCS shall pay for all costs incurred or arising out of any New Improvement or other work to the Premises. WCS shall also cause the removal or bonding (such that the same is not thereafter an encumbrance upon the Premises) of any mechanic's or materialman's lien filed against the Premises or the New Improvements. Upon request by the TCEQ, WCS shall deliver to the TCEQ proof of payment reasonably satisfactory to the TCEQ of all then due and payable costs incurred or arising out of such New Improvements or other work to the Premises.

## 6.3 Ownership of New Improvements.

Any and all New Improvements located, constructed, placed, maintained, repaired, or altered on any part of the Premises during the Lease Term shall be owned by TCEQ during the Lease Term. On any termination of this Agreement, all such New Improvements (excluding WCS' or any contractor's trade fixtures and personal property, which may be removed at any time during the Lease Term or within thirty (30) days after the expiration thereof and any damage to the Improvements and the New Improvements caused by such removal are repaired by WCS at its expense) shall remain on the Premises as the property of the TCEQ, except as provided in the Decommissioning and Site Closure Plan to be implemented pursuant to the License.

## 6.4 Decommissioning and Site Closure Plan

Nothing in this Section 6 or elsewhere in this Agreement may be construed to require WCS to any action with respect to the Improvements or New Improvements that would be inconsistent with the Decommissioning and Site Closure Plan to be implemented pursuant to the License.

# SECTION 7. COMPLIANCE WITH LAWS AND REGULATIONS

## 7.1 Laws and Regulations.

WCS, at its own expense, shall comply with all federal, state, municipal and other laws, codes, ordinances, rules and regulations applicable to the Premises, including applicable local, state or federal law, land use orders and regulations (including any final order of any court of competent jurisdiction), now or hereafter existing ("Laws and Regulations" or "Law or Regulation"); shall install, remove and alter such fixtures, equipment and facilities in, and make such alterations to, the Premises as may be necessary so to comply; will comply with such generally applicable regulations as the State of Texas may promulgate, regarding sanitation, cleanliness and other health and/or environmental matters. WCS shall not make any unlawful use of the Premises or permit any unlawful use thereof.

## 7.2 Hazardous Material.

WCS shall not allow the presence on or within the Premises of any Hazardous Material in any manner that violates Laws and Regulations. "Hazardous Material" means any substance or material defined or designated as a hazardous waste, hazardous substance, toxic substance or other pollutant or contaminant, by any Law or Regulation. WCS shall not allow any Hazardous

Material to migrate off the Premises or the release of any Hazardous Material into adjacent surface waters, soils, underground waters or air in violation of Laws and Regulations.

If WCS violates any Law or Regulation concerning the presence or use of Hazardous Material at or affecting the Premises or the handling or storing of Hazardous Material at or affecting the Premises, WCS shall promptly take whatever action is necessary to determine the type or extent of the release, to mitigate and to correct the violation. If WCS does not act in a prudent and prompt manner after reasonable notice by TCEQ to WCS specifying what actions TCEQ requires, not inconsistent with the terms of the License and applicable Laws and Regulations, to be performed, TCEQ may, but is not obligated to, come onto the Premises, act in place of WCS and take any such action as TCEQ has specified in such notice and that WCS has not taken to ensure compliance with such Law or Regulation or to mitigate any violation thereof. If TCEQ reasonably believes that WCS is in violation of any Law or Regulation, or that WCS' actions or inactions present a threat of violation of any Law or Regulation or a threat of damage to the Premises, TCEQ may, after reasonable notice to WCS, enter the Premises and take such corrective or mitigating action as TCEQ has specified as necessary and that WCS has not taken. All direct costs and actual expenses incurred by TCEQ in connection with any such actions shall become immediately due and payable by WCS upon presentation of an invoice therefor.

Prior to vacating the Premises, in addition to all other requirements under this Agreement, WCS shall remove any Hazardous Material placed on the Premises by WCS, its invitees, contractors, or licensees during the Lease Term or during WCS' possession or use of the Premises with the exception of any Hazardous Material authorized to remain by the License; provided it is understood that if any remedial action is necessary such action on the Premises may be conducted using applicable industrial risk-based remediation standards. WCS shall demonstrate such removal to TCEQ's reasonable satisfaction. No remedy provided herein shall be deemed to be exclusive. In addition to any remedy provided in this section, TCEQ shall be entitled to full reimbursement from WCS whenever TCEQ incurs any costs resulting from WCS' use or management or sufferance of Hazardous Material on the Premises (with the exception of any Hazardous Material authorized to remain by the License), including but not limited to costs of clean-up or other remedial activities based on applicable industrial risk-based remediation standards, and fines or penalties assessed directly against TCEQ or the Premises. The obligations of WCS under this section shall survive any termination of this Agreement.

### 7.3 Evidence of Compliance.

WCS agrees to furnish to the TCEQ within ten (10) days after the TCEQ's written request therefor such permits, orders, certificates or other documents as might be reasonably requested by the TCEQ to evidence compliance with Laws or Regulations applicable to the Premises, the Improvements, and the New Improvements.

## SECTION 8. LIENS; LEASEHOLD MORTGAGE; COLLATERAL

### 8.1 Liens.

WCS will not directly or indirectly create or permit to be created or to remain any lien, encumbrance or claim affecting the Premises or the TCEQ's interest under this Agreement other than: (a) the leasehold estate created by this Agreement; and (b) liens for Impositions not yet due

or payable or which are the subject of a contest as permitted by this Agreement. In the event of the filing of any such prohibited claim against the TCEQ, the Premises or the TCEQ's interest hereunder, WCS will cause the same to be discharged of record by payment, bonding or otherwise, at WCS' expense within ninety (90) days after written notice from the TCEQ. WCS will have the right to contest any such claim by diligent pursuit of appropriate legal proceedings that may be conducted by WCS at WCS' expense in the name of the TCEQ, if legally required. If at any time during the contest of such claim the Premises, or the TCEQ's interest hereunder becomes subject to forfeiture, or if the TCEQ becomes subject to liability arising from nonpayment of the same, WCS will promptly pay the disputed claim or will deposit with the TCEQ such collateral or other assurances as might be reasonably required by the TCEQ to protect the Premises, the TCEQ's interest hereunder and the TCEQ from liability or forfeiture by reason of such claim.

#### 8.2 Mortgage.

Nothing contained herein shall be construed as allowing WCS to in any way encumber the TCEQ's fee estate or any part thereof. No part of the TCEQ's fee estate in the Premises shall be subject to or subordinate to any mortgage.

#### 8.3 Collateral.

WCS may not use the Premises, Improvements, or New Improvements as security for a loan or other obligation.

### SECTION 9. SUBLETTING AND ASSIGNMENT

#### 9.1 Subletting.

WCS shall not sublet the Premises, the Improvements or the New Improvements in whole or in part at any time.

#### 9.2 Assignment.

Without the prior written consent of TCEQ, WCS shall not assign in whole or in part the rights of WCS under this Agreement, the leasehold estate hereby created or all or any portion of WCS' interest in the Premises, the Improvements, or the New Improvements. If the TCEQ approves the transfer of the License to a third party, the TCEQ agrees to enter into an agreement with the third party that is substantially similar to this Agreement. Unless otherwise required by law, TCEQ shall not assign in whole or in part the rights of TCEQ under this Agreement except to a governmental authority.

### SECTION 10. INDEMNITY

#### 10.1 Indemnity Required by Condition #29 of the License

To the fullest extent permitted by law, WCS shall indemnify and hold harmless the TCEQ and its officers, employees, agents, principals and assigns from and against all fines, penalties, claims, damages, losses, demands, judgments, settlements, punitive damages, costs of suit, attorneys' fees and delays to other contractors, whether arising in tort or otherwise, whether arising under the Texas Tort Claims Act or otherwise, and whether or not the parties are individually or jointly



responsible for any damages, that arise or result from any of the matters described in 1-9 of condition 29A of the License.

**This indemnity obligation shall not be apportioned according to contribution, in negligence or otherwise, but shall apply to the entire such claim, damage, judgment, expense, or attorneys' fees, regardless of whether it is caused in whole or in part by a party indemnified hereunder (including the negligent act or omission of the TCEQ or its employees).** This indemnity obligation shall survive termination of the License.

#### **10.2 Indemnity Under this Agreement (which also satisfies Condition #43 of the License)**

WCS shall indemnify and hold harmless the State of Texas and the TCEQ and their officers, employees, agents, principals, successors, and assigns from and against any and all liabilities, whether arising in tort or otherwise, arising from, related to, or otherwise associated with:

a) the Premises or the Federal Facility Waste Disposal Facility, including the use of the Premises or the Federal Facility Waste Disposal Facility by WCS or any of its agents, employees, contractors, or suppliers or their agents, employees, contractors, or suppliers as well as by officers, employees, and contractors of the State of Texas or the TCEQ;

b) the issuance or enforcement of the License by the State of Texas or TCEQ;

c) waste accepted or intended to be disposed of at the Premises or the Federal Facility Waste Disposal Facility; or

d) any removal or remedial action arising from, related to, or otherwise associated with the Premises or Federal Facility Waste Disposal Facility.

**WCS hereby agrees that this indemnification applies whether or not such liabilities result, directly or indirectly, from: a) performance of an inherently dangerous activity, b) actions or omissions negligently, recklessly, or intentionally performed, or c) the actions or omissions of negligence or gross negligence of any of the State of Texas' or TCEQ's officers, employees, or contractors.**

**This indemnity obligation shall not be apportioned according to contribution, in negligence or otherwise, but shall survive to the entire such liability regardless of whether it is caused in whole or in part by the party indemnified hereunder (including the negligent or grossly negligent act or omission of the State of Texas, the TCEQ, or their officers or employees).** Both parties agree that they are each represented by counsel and are sophisticated entities that understand indemnification provisions. The obligations of WCS under this section shall survive any termination of this Agreement.

The term "liabilities" in this Section 10 includes all fines, penalties, claims, damages (including punitive), losses, demands, judgments, settlements, expenses of litigation, and attorneys' fees.

### **SECTION 11. INSURANCE**

#### **11.1 Types of Insurance.**

Throughout the Lease Term:

11.1.1 WCS shall, at its sole cost and expense, purchase and maintain a policy providing commercial general liability insurance (and/or excess liability insurance) coverage in a minimum

amount of Two Million and No/100 Dollars (\$2,000,000.00) per occurrence combined single limit, which policy shall insure against bodily injury, death, and property. Such coverage must name the TCEQ (and any of its successors) as an additional insured.

11.1.2 WCS shall, at its sole cost and expense, purchase and maintain one or more policies of insurance covering the Improvements and New Improvements and additions which are a part of the Premises against fire and other perils, including coverage against loss or damage to the improvements due to fire, explosion, wind, storms or hurricanes. Such property shall be insured on a full replacement cost basis and WCS shall satisfy any and all co-insurance requirements. The amount of coverage provided under such policy shall be reviewed annually and modified, as necessary, so that the amount of such coverage is at all times one hundred percent (100%) of replacement cost (without deduction for depreciation), including, without limitation, such added replacement costs as may result by reason of any changes in applicable ordinances or building codes. Such policy must name the TCEQ (and any of its successors) as a loss payee. Such policy must name the TCEQ (and any of its successors) as additional insured.

11.1.3 WCS shall, at its sole cost and expense, purchase and maintain a policy providing commercial automobile liability insurance (and/or excess liability insurance) coverage for claims of automobile bodily injury and property damage in a minimum amount of Two Million and No/100 Dollars (\$2,000,000.00) per occurrence for bodily injury and property damage combined. Such insurance must provide coverage for owned, hired, and non-owned vehicles. Such policy must name the TCEQ (and any of its successors) as additional insured.

11.1.4 WCS shall, at its sole cost and expense, purchase and maintain a policy providing excess liability insurance (umbrella) to provide additional coverage for all liability policies required under this Agreement in an aggregate amount of at least Five Million and No/100 Dollars (\$5,000,000.00).

11.1.5 WCS shall, at its sole cost and expense, purchase and maintain worker's compensation coverage for its employees in accordance with the statutory requirements of the State of Texas. Further, WCS shall maintain Employers Liability insurance coverage for its employees in the minimum amount of Five Hundred Thousand and No/100 Dollars (\$500,000) per accident for bodily injury by accident and Five Hundred Thousand and No/100 Dollars (\$500,000) per employee for bodily injury by disease with a per policy aggregate in the minimum amount of One Million and No/100 Dollars (\$1,000,000.00). WCS shall require all contractors to maintain worker's compensation coverage for all personnel furnishing work on the Premises.

11.1.6 WCS shall, at its sole cost and expense, purchase and maintain a policy providing pollution and remediation legal liability insurance in the minimum amount of Ten Million and No/100 Dollars (\$10,000,000) for each pollution occurrence with a per policy annual aggregate amount of at least Twenty Million and No/Dollars (\$20,000,000). This policy may initially be on a claims-made basis but must be replaced with an occurrence-based policy should an occurrence-based policy become commercially available. The initial policy and, to the extent such coverage is commercially available, any renewal or replacement policy must provide coverage from the inception date of this Agreement. If the renewal or replacement of any claims-made policy

required hereunder includes a retroactive date subsequent to the inception date of this Agreement, WCS shall, within the terms of the expired policy, purchase an extended reporting period. Such reporting period must be greatest length offered by the insurer, up to a maximum of three years. WCS agrees to establish and maintain an escrow account in favor of TCEQ in the amount of the cost of the maximum extended reporting period available under the policy up to a maximum of three years. If at any time, no extended reporting period is available under a claims-made policy, the parties agree to evaluate this insurance coverage in accordance with Subsection 11.5 below to ensure that the State of Texas is properly protected. The policy must name the TCEQ (and any of its successors) as an additional named insured. Additionally, the policy may not have an exclusion from coverage if TCEQ sues WCS or vice versa or, if there is an exclusion, must include an endorsement that eliminates such exclusion. This coverage is separate and apart from any coverage required under the License or any other WCS license or permit; provided WCS may include this coverage with other coverages in a consolidated policy so long as the coverage amounts required hereunder are by endorsement dedicated exclusively to satisfying the requirements of this Agreement.

#### 11.2 Required Policy.

The phrase "Required Policy" means the policies of insurance required to be maintained by WCS under the terms of this Agreement.

11.2.1 Each Required Policy shall be written by a company with an A.M. Best Company financial rating of not less than A-VII (or a similar rating by a comparable service selected by the TCEQ should A.M. Best Company cease providing such ratings) and be licensed to do business in Texas or, if the aforesaid is not available, by a company qualified to do business as a non-admitted insurer in Texas under current Texas surplus lines requirements. Notwithstanding the foregoing, any Required Policy for property or excess umbrella insurance may be written by a captive insurer provided: a) the captive insurer(s) must be a company permitted to write insurance in Texas pursuant to the Texas Insurance Code; b) the captive insurer(s) shall reinsure 100% of the risk under such policy; c) WCS obtains a cut-through right to such reinsurance policy or policies in favor of TCEQ; d) all reinsurers (and any syndicates in the case of Lloyds) of any policy issued by the captive insurer(s) must meet the rating requirements set forth above; e) no reinsurer of any policy issued by the captive insurer(s) may have common ownership with WCS affiliated entities (e.g., Valhi, Contran, NL Industries, Kronos, Titanium Metals); and f) the TCEQ Executive Director gives WCS his or her prior written approval of the use of the captive insurer. If WCS uses a captive insurer to satisfy its obligations under, and as permitted by, this Agreement, WCS shall notify TCEQ in advance of such use of the captive insurer and shall provide TCEQ with the claims filing procedures for the reinsurers of any Required Policy issued by a captive insurer prior to the coverage taking effect. Additionally, WCS agrees to negotiate in good faith to minimize the number of reinsurers for each Required Policy written by a captive insurer to the maximum extent practicable.

11.2.2 Each Required Policy may contain a deductible of not more than five percent (5%) of the coverage amount; provided, however, such limitation shall not apply to the Required Policy under Subsection 11.1.2 during the initial construction of the Compact Waste Facility on the Premises. During such period of initial construction, the deductible for the Required Policy

under Subsection 11.1.2 may not exceed the lesser of: a) five percent (5%) of the finished value of the Improvements and New Improvements on the Premises; or b) \$2,000,000.

11.2.3 All Required Policies must provide thirty (30) days prior written notice to the TCEQ, given to the notice address set forth in this Agreement, in the event of cancellation or non-renewal. WCS shall provide written notice to the TCEQ, given to the notice address set forth in this Agreement, of any material change to the coverages under the Required Policies promptly after it has received the earlier of the following: a) notice of such change, or b) a revised policy containing such change.

11.2.4 WCS shall deliver to the TCEQ and/or the TCEQ's designee a certificate of insurance for any Required Policy within twenty (20) days of execution of this Agreement and within ten (10) days after subsequent renewals or replacements of same. Within ten (10) days following a written request from TCEQ, WCS shall also deliver to TCEQ a complete copy of each Required Policy, each reinsurance policy for any Required Policy written by a captive insurer (including cut-through rights in favor of TCEQ), and any renewals thereof, including all endorsements, within thirty (30) days after it is issued by the insurer or reinsurer. Within each such copy, WCS shall highlight how and where the requirements of this Agreement are met. It is understood that any request by TCEQ for a copy of an insurance policy made pursuant to this Subsection 11.2.4 shall be treated as a requirement of TCEQ in its capacity as a regulatory agency. At all times during the Lease Term, WCS shall cause the required evidence of coverage to be deposited with the TCEQ. If WCS fails to do so, such failure may be treated by the TCEQ as a default by WCS and the TCEQ, in addition to any other remedy under this Agreement, shall have the right (but not the obligation) following thirty (30) days advance written notice to WCS to purchase and maintain such Required Policy for the account of WCS. If TCEQ places such coverage and upon TCEQ providing proof of such coverage to WCS, WCS shall be obligated to pay the TCEQ the amount of the premium applicable to such Required Policy within thirty (30) days. Any failure of WCS to make such payment to the State may be treated by the TCEQ as a default by WCS under this Agreement.

11.2.5 All Required Policies, other than the pollution and remediation legal liability insurance, must also include a waiver of subrogation in favor of the TCEQ, its officers, and employees for bodily injury (including death), property damage, or any other covered loss arising from this Agreement to the extent such waiver is commercially available.

### 11.3 Blanket Coverage.

Any insurance required to be carried under the terms of this Section 11 may be carried under a "blanket coverage" form of insurance policy or policies, provided the coverage requirements hereunder are satisfied.

11.4 All insurance coverage amounts required by this section are cumulative in nature such that the coverage amount required by one provision may not be used to satisfy the requirements of another provision (e.g., the excess liability coverage amount required for Subsection 11.1.4 cannot also be used to satisfy Subsection 11.1.1).

11.5 Every four years, beginning four years from the date of last signature below, the parties agree to review the type and amount of insurance required above. If changes are appropriate based upon such review to ensure that the State of Texas is properly protected, WCS and the TCEQ agree to amend this Agreement to reflect the new insurance requirements; provided if WCS disputes the appropriateness of such changes, the dispute will go to mediation as set forth in Subsection 11.6 below. The determination as to whether the State of Texas is properly protected is in the sole discretion of the TCEQ, even if mediation does not resolve the dispute between the parties. However, WCS may not be required to make any changes in coverage that are not commercially available.

#### 11.6 Determination of Commercial Availability and Appropriateness

11.6.1 For purposes of this Agreement, insurance shall be considered "commercially available" if an insurer meeting the ratings requirements of Subsection 11.2.1 has agreed to issue the policy on terms that a reasonable and prudent business person would not consider extraordinary given the scope and purpose of the policy coverage and the risk involved. Increased costs and/or the imposition of collateral requirements alone shall not be a basis for WCS to assert that a policy is not commercially available. However, in the event the increased costs or the imposition of collateral requirements from a majority of insurers meeting the requirements of this Agreement and offering such coverage are substantial enough in nature that such reasonable and prudent business person would conclude that the policy terms would be extraordinary under the circumstances, the policy shall not be considered commercially available. If WCS is asserting that insurance coverage is not commercially available, WCS shall notify TCEQ in writing within ten (10) days of learning of such unavailability and provide sufficient supporting documentation, including correspondence from a minimum of five of the largest insurers offering such type of insurance coverage (or, if there are fewer than five such insurers, from all such insurers) as well as insurer contact information.

11.6.2 In the event there is a disagreement between TCEQ and WCS on whether changes in insurance pursuant to Subsection 11.5 are appropriate, such dispute will undergo mediation by a mediator to be mutually agreed upon by WCS and TCEQ acting in good faith. If available, TCEQ and WCS shall select a mediator with knowledge of the insurance industry and the pollution liability insurance market. WCS agrees to pay all costs of mediation.

### SECTION 12. RESTORATION OF DAMAGE AND DESTRUCTION

In the event any of the Improvements or New Improvements are damaged or destroyed by fire or any other casualty, regardless of the extent of such damage or destruction, subject to WCS receiving all necessary permits, approvals, and authorizations from all governmental authorities, within six (6) months after the date of such damage or destruction, WCS shall commence the repair, replacement, and/or reconstruction (collectively, the "Casualty Restoration") of the damaged or destroyed Improvements and New Improvements and shall pursue the Casualty Restoration with reasonable diligence so that the Improvements and New Improvements are restored to substantially the condition they were in immediately prior to the casualty; provided, however, if commencement or completion of the Casualty Restoration is prevented or delayed by reason of any Unavoidable Delay (as herein defined), the time for commencing and/or

completing the Casualty Restoration will automatically be extended for the period of the Unavoidable Delay. WCS' obligation to complete Casualty Restoration shall survive the termination of the Agreement.

## SECTION 13. DEFAULT; REMEDIES; TERMINATION

### 13.1 Events of Default.

Each of the following events will be deemed to be an "Event of Default" by WCS under this Agreement: (a) failure to pay any sums payable by WCS hereunder when such sums become due; (b) failure to comply with any term of this Agreement to be observed by WCS; (c) the adjudication of WCS as bankrupt or insolvent in proceedings filed under the Federal Bankruptcy Act or any similar law; (d) the appointment of a receiver or trustee for WCS or any of the assets of WCS; e) if WCS ceases business as an on-going entity; or f) if the TCEQ Executive Director makes a determination that an incident, event, or condition relating to WCS' use of the premises for the management and disposal of certain low-level radioactive waste creates an imminent and substantial endangerment to the environment that requires immediate action to protect the public health and safety; provided WCS's authorized use of the premises for the management and disposal of certain low-level radioactive waste shall not in and of itself be deemed to create such imminent and substantial endangerment.

### 13.2 Notice; Opportunity to Cure.

On the occurrence of any Event of Default, and after the expiration of the periods specified below for the cure thereof, the TCEQ will have the option to declare the same to be a Default hereunder by written notice to WCS specifying the nature of such Default. In the event WCS, to the reasonable satisfaction of the TCEQ, cures an Event of Default arising from the events specified at Subsection 13.1 within ten (10) days after receipt of written notice for a monetary default and thirty (30) days after receipt of written notice for a non-monetary default, such Event of Default will not be a Default and the TCEQ and WCS will be restored to their respective rights and obligations under this Agreement as if no Event of Default had occurred. In addition to the cure periods set forth in this Subsection 13.2, the parties agree that an Event of Default based on creation of an imminent and substantial endangerment to the environment shall be deemed to be cured when there is no longer an imminent and substantial endangerment to the environment. The cure period may be extended by written mutual agreement of the parties and TCEQ shall not unreasonably withhold such agreement.

### 13.3 Remedies.

On the failure of WCS to cure a Default within the time provided, the TCEQ will have the option, in its discretion to do any one or more of the following without any further notice or demand, which, except as provided in Subsections 13.5 and 14.1 hereof, are in addition to and not in limitation of any other remedy permitted by law or by this Agreement:

13.3.1 Termination. In the event the Default is either: a) the adjudication of WCS as bankrupt or insolvent in proceedings filed under Chapter 7 of the Federal Bankruptcy Act or any similar law; b) the appointment of a receiver or trustee for WCS or any of the assets of WCS; c) if WCS ceases business as an ongoing entity; or d) the TCEQ Executive Director making a determination that there is an imminent and substantial endangerment to the environment that

requires immediate action to protect the public health and safety as described in Subsection 13.1 and is not caused by an act of God with consequences beyond the reasonable control of WCS, the TCEQ may terminate this Agreement, in accordance with this Subsection 13.3.1, in which event WCS shall immediately surrender the Premises, the Improvements and the New Improvements to the TCEQ, but if WCS fails to do so, the TCEQ may, to the maximum extent permitted by law, without notice and without prejudice to any other remedy the TCEQ might have, enter and take possession of the Premises, the Improvements and the New Improvements and remove WCS and WCS' property therefrom. The TCEQ must provide WCS a minimum of thirty (30) days written notice in advance of its intent to terminate this Agreement pursuant to this paragraph. If the termination is to be based on the TCEQ Executive Director's determination of imminent and substantial endangerment, TCEQ shall first pursue Suspension of Operations in accordance with 13.3.2 and allow WCS the opportunity to consult with the TCEQ Executive Director. The TCEQ may then, in its sole discretion, proceed with termination in accordance with this Subsection 13.3.1; however, the notice of termination may be provided prior to any consultation.

13.3.2 Suspension of Operations. In the event the Default is the determination by the TCEQ Executive Director that an incident, event or condition relating to WCS' use of the Premises for the management and disposal of certain low-level radioactive waste creates an imminent and substantial endangerment to the environment that requires immediate action to protect the public health and safety, the TCEQ may elect, upon written notice to WCS, to suspend WCS' right to use or occupy the Premises pursuant to this Agreement, in which event WCS shall immediately surrender possession of the Premises, the Improvements and the New Improvements to TCEQ and shall only have access to the Premises to continue to perform any activities reasonably required to address the incident, event or condition giving rise to the imminent and substantial endangerment to the environment and as necessary to satisfy its environmental, health and safety obligations under the License. Any suspension of WCS' right to use or occupy the Premises pursuant to this Subsection 13.3.2 shall end upon the earlier of: (a) termination of this Agreement in accordance with Subsection 13.3.1; (b) the effective date of TCEQ's revocation or other termination of the License, in which event this Agreement shall terminate; or (c) the date of a determination by the TCEQ Executive Director that the imminent and substantial endangerment to the environment has ceased. If this Agreement is terminated as set forth in this Subsection 13.3.2, WCS shall immediately surrender the Premises, the Improvements and the New Improvements to the TCEQ, but if WCS fails to do so, the TCEQ may, to the maximum extent permitted by law, without notice and without prejudice to any other remedy the TCEQ might have, enter and take possession of the Premises, the Improvements and the new Improvements and remove WCS and WCS's property therefrom.

13.3.3 Option to Perform. The TCEQ may perform or cause to be performed the obligations of WCS under this Agreement and may enter the Premises and the Improvements to accomplish such purpose. WCS agrees to reimburse the TCEQ on demand for any expense which the TCEQ might reasonably incur in effecting compliance with the terms of this Agreement on behalf of WCS.

13.3.4 Payment. In its discretion, TCEQ may require WCS to pay, and WCS agrees to pay TCEQ, \$10,000 per day from the start of a Default until the Default is cured to TCEQ's

reasonable satisfaction or this Agreement is terminated pursuant to Subsection 13.3.1 or 13.4. WCS is not required to make any such payment until ten (10) days following receipt of written notice from TCEQ that TCEQ is invoking this payment paragraph as a remedy or at any time during the cure period specified in Subsection 13.2 above; however, payment sums will be calculated from the start of the Default event rather than receipt of such a letter. No payment will be due if WCS cures or otherwise addresses a Default in a timely manner to the reasonable satisfaction of TCEQ.

#### 13.4 Non-Default Termination.

The state reserves the right to terminate this Agreement upon thirty (30) days written notice to WCS if: 1) WCS permanently ceases using the Premises for the use set forth in Section 4 of this Agreement; or if 2) the License is terminated, expires without renewal, or otherwise ceases to be a valid authorization for the use set forth in Section 4 of this Agreement. The notice of termination must specify the reasons for termination.

#### 13.5 No Waiver.

No action by the TCEQ during the Lease Term will be deemed an acceptance by the TCEQ of an attempted surrender of the Premises or the Improvements. No re-entry or taking possession of the Premises or the Improvements by the TCEQ will be construed as an election by the TCEQ to terminate this Agreement, unless a written notice of termination is signed by the TCEQ. No waiver of any Event of Default by the TCEQ will be deemed to constitute a waiver of any other or future Event of Default hereunder. Forbearance by the TCEQ to enforce one or more of the remedies herein provided will not be deemed to constitute a waiver of any Default. No provision of this Agreement will be deemed to have been waived by the TCEQ unless such waiver is in writing signed by the TCEQ. Except as set forth in this Subsection 13.5 and Subsection 14.1, the rights and remedies granted to the TCEQ in this Agreement are cumulative of every other right or remedy which the TCEQ might otherwise have at law or in equity and the exercise of one or more rights or remedies will not prejudice the concurrent or subsequent exercise of other rights or remedies. The TCEQ agrees that no right to terminate this Agreement or to restrict, limit, or terminate WCS' right to possession of the Premises will apply unless such right is expressly set forth in this Agreement or granted pursuant to the License or applicable laws and regulations granting TCEQ regulatory authority.

#### 13.6 WCS Access Following Termination

Upon termination of this Agreement, TCEQ hereby grants WCS continued access to the Premises for ongoing regulatory activities required by the TCEQ (e.g., monitoring) and for removal of WCS' equipment and personal property.

### SECTION 14. NO LIMITATION OR WAIVER

#### 14.1 Remedies and Rights.

Except as set forth in this Subsection 14.1 and Subsection 13.5, nothing herein contained will impair any remedy or otherwise limit or restrict the rights of the TCEQ with respect to the Premises, the Improvements, the New Improvements, or this Agreement arising from any default by WCS hereunder. The TCEQ agrees that no right to terminate this Agreement or to restrict, limit, or terminate WCS' right to possession of the Premises will apply unless such right is



expressly set forth in this Agreement or granted pursuant to the License or applicable laws and regulations granting TCEQ regulatory authority.

#### 14.2 Sovereign Immunity.

Nothing contained in this Agreement shall be construed as a waiver of the sovereign immunity of the State of Texas.

### SECTION 15. NOTICES

Any notice, notification, instrument, document, or information (collectively, a "Notice") which is required, provided, or permitted to be sent, furnished, or delivered pursuant to the provisions of this Agreement must be in writing and must be mailed (postage prepaid, United States Postal Service, Certified Mail, Return Receipt Requested), or delivered (by a nationally recognized delivery service such as Federal Express or United Parcel Service or by hand delivery provided a signed receipt therefor is received) to the respective addresses set forth below. Any Notice sent hereunder shall be effective upon delivery. Any Notice refused shall be deemed delivered on the date of such refusal. Any party hereto may change the address for Notices hereunder with written notice to the other party.

#### 15.1 TCEQ:

U.S. Mail: Special Counsel  
Office of Legal Services  
Texas Commission on Environmental Quality  
Mail Code 218  
P.O. Box 13087  
Austin, Texas 78711

Delivery Service: Special Counsel  
Office of Legal Services  
Texas Commission on Environmental Quality  
Mail Code 218  
12100 Park 35 Circle, Bldg. A  
Austin, Texas 78753

#### 15.2 WCS:

U.S. Mail or Delivery Service: Waste Control Specialists LLC  
Attn: Rod Baltzer  
5430 LBJ Freeway, Suite 1700  
Dallas, Texas 75240

### SECTION 16. STATE FEE

#### 16.1 Payment.

WCS shall remit to the TCEQ any fees required by rule or statute based on the gross receipts from waste received at the Compact Waste Disposal Facility and the Federal Facility Waste Disposal Facility. WCS shall make such payments within the period prescribed by rule or statute.

#### 16.2 WCS Records.

To determine compliance with this provision, WCS shall allow TCEQ access to and the right to examine any information of WCS involving operations on the Premises and Federal Facility Waste Disposal Facility during normal business hours and in accordance with applicable environmental, safety, or health procedures. This Section 16 is not meant to limit any other TCEQ right of access to WCS records.

### SECTION 17. FORCE MAJEURE

If either the TCEQ or WCS is delayed or prevented from performing any term of this Agreement by events beyond the reasonable control of such party, other than financial inability to perform (e.g., extraordinary weather, strikes, failure of power, riots) ("Unavoidable Delays"), then performance will be excused for the period of delay and the time for performance will be extended for a period equal to the period of such delay. In the event that a party is asserting force majeure as a reason for delay, the party shall send written notice to the other party within seven (7) days of the start of the force majeure event and within seven (7) days of the end of the force majeure event, describing the event, the anticipated duration of the delay, and any mitigation steps taken by the party.

### SECTION 18. MISCELLANEOUS

#### 18.1 No Waiver by State.

WCS agrees that the TCEQ's failure to insist upon the strict performance of any provision under this Agreement or to exercise any right based upon a breach thereof shall not waive any of the TCEQ's rights under this Agreement or other law.

#### 18.2 Governing Law.

This Agreement is being executed, delivered and is intended to be performed in Austin, Texas. Any action or proceedings to enforce this Agreement or any provision hereof shall be commenced and adjudicated only in Travis County, Texas. The substantive laws, rules and regulations of the State of Texas, as the same shall exist from time to time, will govern the validity, construction and enforcement of this Agreement; provided, however, that nothing contained herein shall make any such future law, rule and regulation applicable to this Agreement if the same is not otherwise applicable by virtue of the substantive laws, rules and regulations of the State of Texas.

#### 18.3 Binding Effect; Amendments.

This instrument constitutes the entire Agreement between the parties. All other oral or written agreements, promises and arrangements in relation to the subject matter of this Agreement are hereby rescinded. This Agreement will be binding on each of the parties and their respective successors and any permitted assigns and may not be changed, modified, amended or supplemented except in writing, signed by both the TCEQ and WCS. Should TCEQ cease to be the agency with jurisdiction and authority over the License, WCS agrees, as part of the next license renewal process occurring after the transfer of jurisdiction and authority over the License, to enter into good faith discussions with the governmental authority with jurisdiction and

authority over the License concerning any requested modifications to this Agreement. This Agreement is intended to create rights between the TCEQ and WCS and is not intended to confer rights on any other person or to constitute such person a third party beneficiary hereunder. If at any time the TCEQ or WCS is comprised of more than one person, this Agreement will be jointly and severally binding on each person comprising the TCEQ and WCS.

#### 18.4 Execution; Counterpart.

This Agreement may be executed in multiple counterparts with the same effect as if both parties had signed the same document. All counterparts will be construed together and will constitute one Agreement. This Agreement will not be binding on or constitute evidence of an Agreement until both parties affix their signature to a counterpart of this document.

#### 18.5 Time.

Time is of the essence in the performance of WCS' obligations under this Agreement.

#### 18.6 Merger.

This Agreement and the leasehold estate hereby created will not merge with any other estate or interest in the Premises, the Improvements, or the New Improvements by reason of the fact that the same person might own or hold directly or indirectly: (a) the rights of WCS under this Agreement or the leasehold estate hereby created or any interest therein; and (b) any other estate or interest in all or any part of the Premises, the Improvements, or the New Improvements. No such merger will occur until such time as all persons holding an interest in this Agreement and the leasehold estate hereby created and any such other estate or interest in the Premises, the Improvements, the New Improvements or any part thereof join in a written instrument effecting such merger and duly record the same.

#### 18.7 Severability.

If any clause or provision of this Agreement is illegal, invalid or unenforceable under any present or future law, the remainder of this Agreement will not be affected thereby. It is the intention of the parties that if any such provision is held to be illegal, invalid or unenforceable, there will be added in lieu thereof a provision as similar in terms to such provision as is possible and be legal, valid and enforceable.

#### 18.8 Presumption Concerning Interpretation and Construction.

Both WCS and TCEQ have reviewed and participated in the drafting of this Agreement. Accordingly, in the event of any ambiguity in the provisions of this Agreement, there shall be no presumption in favor of either WCS or TCEQ with respect to the interpretation or construction hereof.

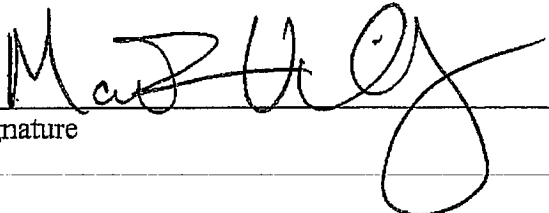
#### 18.9 Paragraph Headings.

The headings of the various paragraphs in this Agreement are for the convenience of the parties and do not alter or modify the provisions thereof and are not to be used in construing or interpreting the provisions thereof.

#### 18.10 Survival of Obligations.

All obligations under the terms of this Agreement that are not performed while the Agreement is in effect or are not performable until after a termination of the Agreement, shall survive any termination of the Agreement.

The State of Texas,  
acting by and through the  
Texas Commission on Environmental Quality

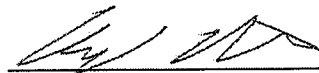
  
\_\_\_\_\_  
Signature

Mark R. Vickery, P.G.  
\_\_\_\_\_  
Printed Name

Executive Director  
\_\_\_\_\_  
Title

1-7-2011  
\_\_\_\_\_  
Date

Waste Control Specialists LLC



Signature

Rodney A. Battier

Printed Name

President

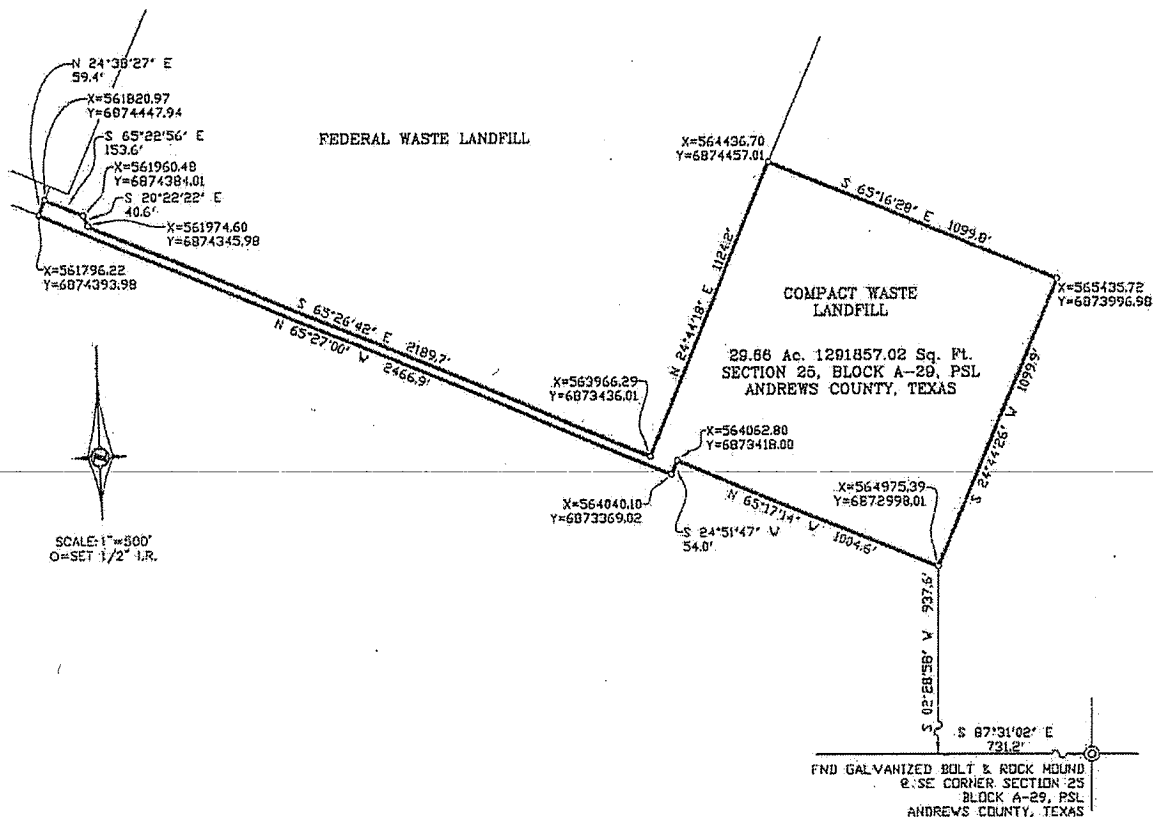
Title

1/2/2011

Date

**Exhibit A**  
**To Lease and Indemnification Agreement Concerning**  
**Low-Level Radioactive Waste Disposal In Andrews County**

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FIELD NOTE DESCRIPTION OF A 29.66 ACRE TRACT OF LAND OUT OF SECTION 25, BLOCK A-29, PUBLIC SCHOOL LAND, ANDREWS COUNTY, TEXAS:

BEGINNING at a 1/2-inch iron rod set for the southeast corner of this tract, from which point a galvanized bolt and rock mound found for the Patented Southeast corner of Section 25, Block A-29, Public School Land, Andrews County, Texas, as filed of record in Volume 3, Page 272, Patent Records, Andrews County, Texas, bears S 02° 28' 58" W, 937.6 feet and S 87° 31' 02" E, 731.2 feet;

THENCE N 65° 17' 14" W, 1004.6 feet to a 1/2-inch iron rod set for a corner of this tract;

THENCE S 24° 51' 47" W, 54.0 feet to a 1/2-inch iron rod set for a corner of this tract;

THENCE N 65° 27' 00" W, 2466.9 feet to a 1/2-inch iron rod set for the southwest corner of this tract;

THENCE N 24° 38' 27" E, 59.4 feet to a 1/2-inch iron rod set for the most westerly northwest corner of this tract;

THENCE S 65° 22' 56" E, 153.6 feet to a 1/2-inch iron rod set for a corner of this tract;

THENCE S 20° 22' 22" E, 40.6 feet to a 1/2-inch iron rod set for a corner of this tract;

THENCE S 65° 26' 42" E, 2189.7 feet to a 1/2-inch iron rod set for a corner of this tract;

THENCE N 24° 44' 18" E, 1124.2 feet to a 1/2-inch iron rod set for the most northerly northwest corner of this tract;

THENCE S 65° 16' 28" E, 1099.8 feet to a 1/2-inch iron rod set for the northeast corner of this tract;

THENCE S 24° 44' 26" W, 1099.9 feet to the place of beginning and containing 1291857.02 square feet or 29.66 acres of land.

Note: Coordinates are Texas State Plane NAD 83 Texas North Central Zone in US Survey Feet, with a Scale Factor of 0.99996852. Bearings are Grid and have a Theta Angle of -02° 29' 13".

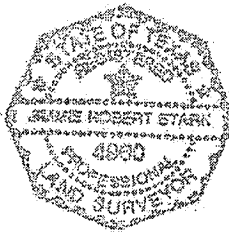
Dated: March 13, 2007

STARK SURVEYING, LLC

By:

*[Signature]*

SS Job No. 80808  
Cook-Joyce, Inc.



Jimmie Robert Stark  
Registered Professional Land Surveyor

STARK SURVEYING, LLC  
3300 N. "A" STREET, BLDG. 1-200  
MOLAND, TEXAS

**Exhibit B**  
**To Lease and Indemnification Agreement Concerning**  
**Low-Level Radioactive Waste Disposal In Andrews County**

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NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**GENERAL WARRANTY DEED**

STATE OF TEXAS           §  
                                  §     **KNOW ALL BY THESE PRESENTS:**  
COUNTY OF ANDREWS     §

That **WASTE CONTROL SPECIALISTS LLC**, a Delaware limited liability company (hereinafter called "Grantor"), for and in consideration of the sum of TEN and NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and paid by the **STATE OF TEXAS, acting by and through the Texas Commission on Environmental Quality** (hereinafter called "Grantee," whether one or more, masculine, feminine or neuter), has GRANTED, SOLD, and CONVEYED, and by these presents does GRANT, SELL, and CONVEY, unto the said Grantee the following (collectively, the "Property"):

(a) That certain tract of approximately 29.66 acres of real property located in Andrews County, Texas, more particularly described on Exhibit A attached hereto and made a part hereof (such real property being hereinafter referred to as the "Land"); and

(b) Any and all buildings situated on the Land (hereinafter collectively referred to as the "Buildings");

(c) All of Grantor's right, title, and interest in and to the minerals in and under the Land.

Items (a), (b), and (c) shall be hereinafter sometimes referred to collectively as the "Compact Waste Facility Real Property," being the same land and buildings comprising the Compact Waste Facility ("Compact Waste Facility") licensed by the Texas Commission of Environmental Quality pursuant to the License.

This General Warranty Deed and the conveyance hereunder are executed by Grantor and accepted by Grantee subject to the foregoing reservation and to all valid and subsisting encumbrances, conditions, covenants, restrictions, reservations, exceptions, rights-of-way and easements appearing of record in the real property records of Andrews County, affecting the Property, as of the effective date hereof ("Permitted Exceptions").

**TO HAVE AND TO HOLD** the Property unto Grantee, its successors and assigns, forever, and Grantor does hereby bind itself and its successors and assigns, to **WARRANT** and **FOREVER DEFEND** all and singular the title to the Property unto said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise, subject to the Permitted Exceptions.

Grantee's address is:

Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, TX 78711-3087  
Attn: Executive Director

EXECUTED to be effective the 10th day of September, 2009.

**"GRANTOR"**

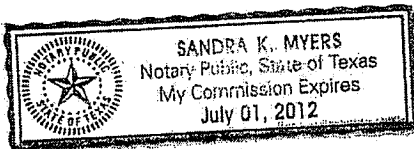
**WASTE CONTROL SPECIALISTS LLC**  
a Delaware limited liability company

By: \_\_\_\_\_

Name: Rodney A. Baltzer  
Title: President

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

This instrument was acknowledged before me on January 7, 2011 by Rodney A. Baltzer, President of Waste Control Specialists LLC, a Delaware limited liability company, on behalf of said limited liability company.

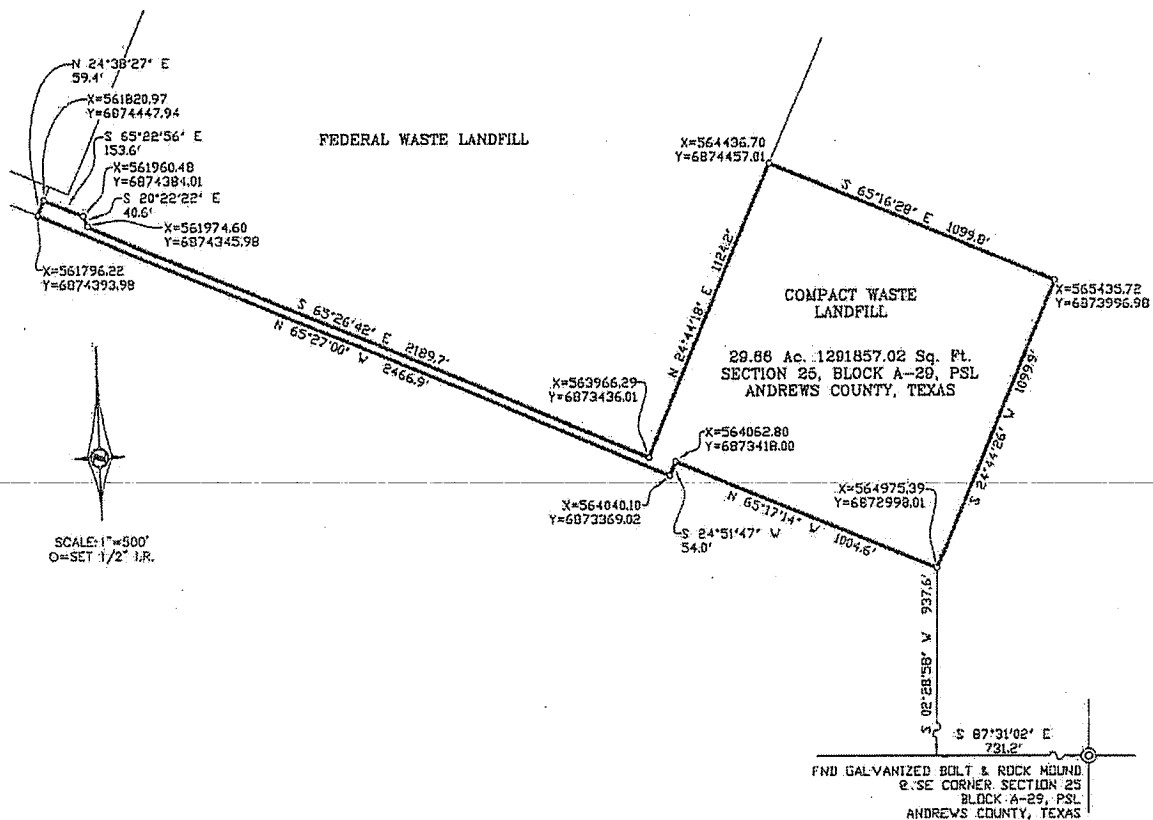


\_\_\_\_\_  
*Sandra K. Myers*

Notary Public in and for  
the State of Texas

My Commission Expires: 7/01/2012

# Exhibit A



FIELD NOTE DESCRIPTION OF A 29.66 ACRE TRACT OF LAND OUT OF SECTION 25, BLOCK A-29, PUBLIC SCHOOL LAND, ANDREWS COUNTY, TEXAS:

BEGINNING at a 1/2-inch iron rod set for the southeast corner of this tract, from which point a galvanized bolt and rock mound found for the Patented Southeast corner of Section 25, Block A-29, Public School Land, Andrews County, Texas, as filed of record in Volume 3, Page 272, Patent Records, Andrews County, Texas, bears S 02° 28' 58" W, 937.6 feet and S 87° 31' 02" E, 731.2 feet;

THENCE N 65° 17' 14" W, 1004.6 feet to a 1/2-inch iron rod set for a corner of this tract;

THENCE S 24° 51' 47" W, 54.0 feet to a 1/2-inch iron rod set for a corner of this tract;

THENCE N 65° 27' 00" W, 2466.9 feet to a 1/2-inch iron rod set for the southwest corner of this tract;

THENCE N 24° 38' 27" E, 59.4 feet to a 1/2-inch iron rod set for the most westerly northwest corner of this tract;

THENCE S 65° 22' 56" E, 153.6 feet to a 1/2-inch iron rod set for a corner of this tract;

THENCE S 20° 22' 22" E, 40.6 feet to a 1/2-inch iron rod set for a corner of this tract;

THENCE S 65° 26' 42" E, 2189.7 feet to a 1/2-inch iron rod set for a corner of this tract;

THENCE N 24° 44' 18" E, 1124.2 feet to a 1/2-inch iron rod set for the most northerly northwest corner of this tract;

THENCE S 65° 16' 28" E, 1099.8 feet to a 1/2-inch iron rod set for the northeast corner of this tract;

THENCE S 24° 44' 26" W, 1099.9 feet to the place of beginning and containing 1291857.02 square feet or 29.66 acres of land.

Note: Coordinates are Texas State Plane NAD 83 Texas North Central Zone in US Survey Feet, with a Scale Factor of 0.99996852. Bearings are Grid and have a Theta Angle of -02° 29' 13".

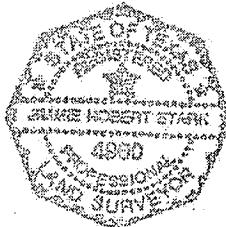
Dated: March 13, 2007

STARK SURVEYING, LLC

SS Job No. 80808  
Cook-Joyce, Inc.

By:

*[Signature]*



Jimmie Robert Stark  
Registered Professional Land Surveyor

STARK SURVEYING, LLC.  
3300 N. "A" STREET, BLDG. 1-200  
MIDLAND, TEXAS